


Navigating linkage between ERM and corporate governance

February 07, 2020
CA Akhilesh Thakur

Corporate Governance

- ICICI Bank
- Yes Bank
- Dewan Housing Finance
- IL&FS
- Punjab National Bank
- Satyam
- Vakrangee
- Manpasand Beverages
- Ricoh India



Have you seen headlines about these companies

- Resignation of Directors
- Resignation of Auditors
- Increasing public scrutiny
- Active Regulators

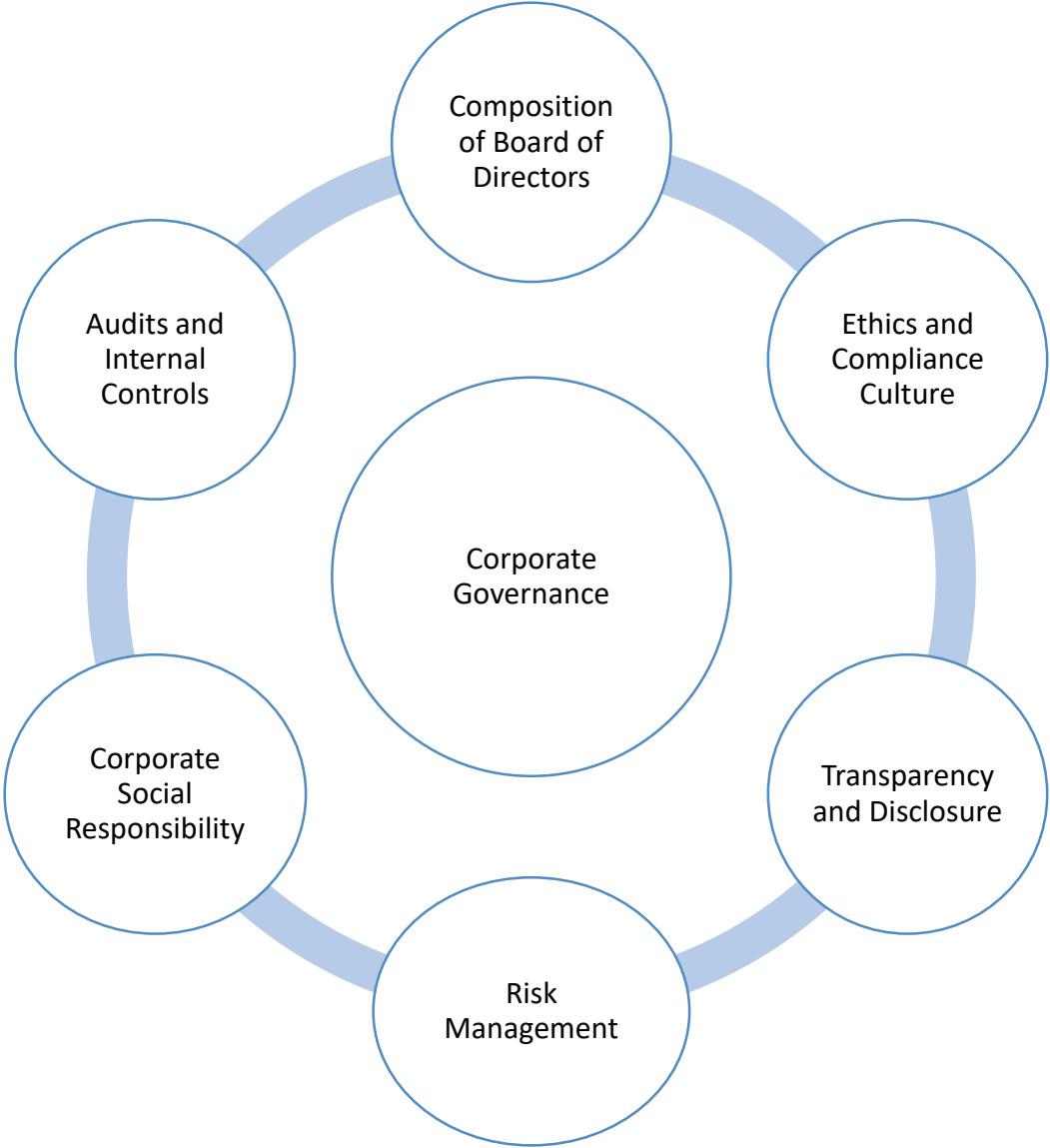
Definitions – Corporate Governance

Corporate Governance:

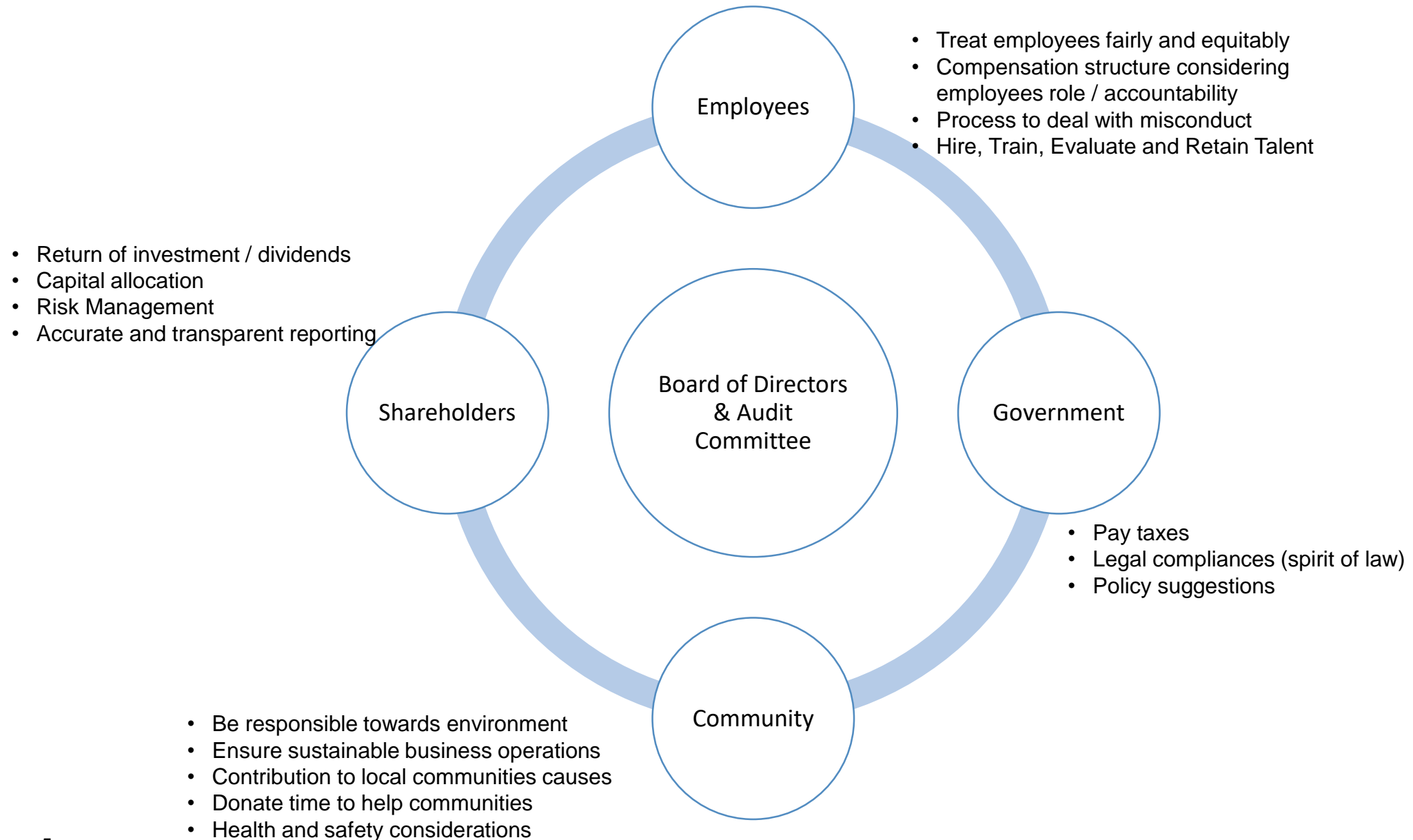
The framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in a company's relationship with its all stakeholders (financiers, customers, management, employees, government, and the community).

Board of Directors are hired by shareholders.

Corporate Governance



Objectives of Corporate Governance



Benefits of Corporate Governance

- Help in corporate success and growth.
- Maintains investors' confidence, as a result of which, company can raise capital efficiently and effectively.
- Lowers the capital cost.
- Positive impact on the share price.
- Provides proper inducement to the owners as well as managers to achieve objectives that are in interests of the shareholders and the organization.
- Minimizes wastages, corruption, risks and mismanagement.
- Helps in brand Enhancement.
- Ensures organization is managed for best interests of all stakeholders.

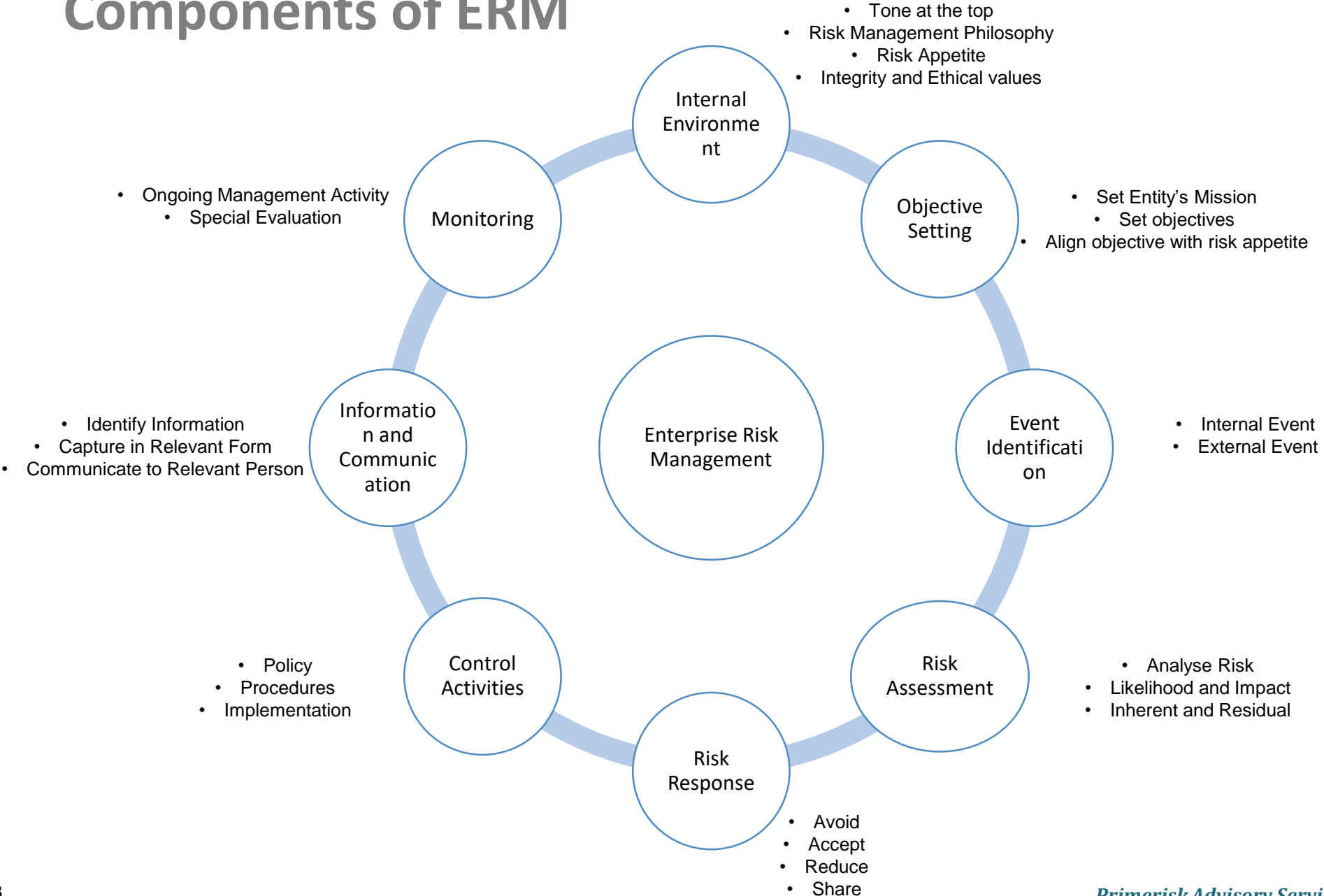
Encourages positive behaviour across.....

Definition – Enterprise Risk Management

Enterprise risk management is a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives

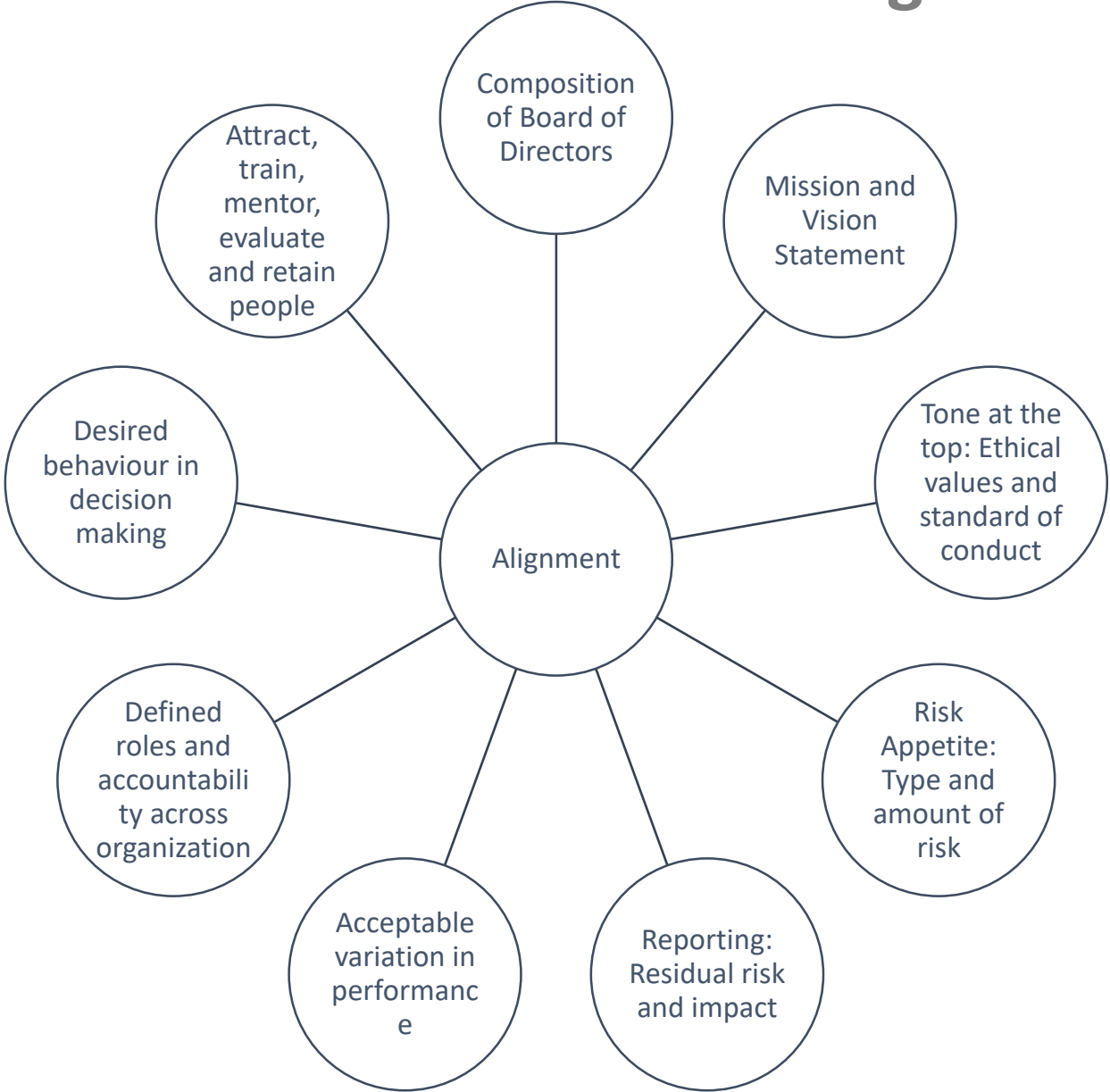
- *A process*
- *Driven by Board of Directors*
- *Applied across enterprise*
- *Identify potential event*
- *Manage risk within risk appetite*
- *Provide reasonable assurance*

Components of ERM



LINKAGE OF CORPORATE GOVERNANCE AND ERM

Corporate Governance & ERM alignment



Thank You!